

TEACHERS' RETIREMENT BOARD
BENEFITS AND SERVICES COMMITTEE

SUBJECT: Approval of Minutes for
April 5, 2001

ITEM NUMBER: 2

ATTACHMENT(S): 1

ACTION: X

DATE OF MEETING: May 3, 2001

INFORMATION:

PRESENTER(S): Chairperson

Please see the attached minutes of the April 5, 2001 Benefits and Services Committee meeting.

**PROPOSED
MINUTES OF THE
BENEFITS AND SERVICES COMMITTEE MEETING
OF THE
CALIFORNIA STATE TEACHERS' RETIREMENT SYSTEM
THURSDAY, APRIL 5, 2001
BOARD ROOM
7667 FOLSOM BOULEVARD
SACRAMENTO, CALIFORNIA**

COMMITTEE MEMBERS PRESENT

Karen Russell, Chairperson

Gary Lynes

Carolyn Widener

Walter Barnes, representing the State Controller, Kathleen Connell

Curt Robinson, representing the Superintendent of Public Instruction, Delaine Eastin

OTHER BOARD MEMBERS PRESENT

George Fenimore

STAFF PRESENT

James D. Mosman, Chief Executive Officer

Michael Carter, DCEO, CBS Branch

Christopher W. Waddell, Chief Counsel

Ed Derman, DCEO, External Affairs and Program Development Branch

Peggy Plett, DCEO, Administration Branch

Alice Suitt, Manager, Regional Counseling Services

Rick Reed, System Actuary

Mary Miles, Administrative Assistant

OTHERS PRESENT

Beverly Carlson, CTA

Elizabeth Mackenzie, CRTA

Loretta Toggenburger, UTLA-R

Zoe Ann Murray, CRTA

Lois Shive, CTA

Edna White, CRTA

Steve DePue, CTA

A quorum being present, Chairperson Russell called the meeting to order at 8:30 a.m.

II. **APPROVAL OF MINUTES OF FEBRUARY 8, 2000 MEETING**

MOTION duly made by Mr. Robinson, seconded by Ms. Widener, and carried to approve the Minutes of the Benefits and Services Committee meeting of February 8, 2001.

III. **ANNOUNCEMENTS**

There were none.

IV. **ADOPTION OF INTEREST AND CONTRIBUTION RATES FOR 2000-02**

Mr. Reed requested approval of the following rates:

A. Regular Interest Rate: Staff recommended a rate of 7.25 percent.

MOTION duly made by Mr. Lynes, seconded by Ms. Widener, and carried to recommend that the Board adopt a regular interest rate of 7.25 percent for 2001/02.

B. Employer Contribution Rate for Reduced Workload Program: Staff recommended a rate of 8.25 percent.

MOTION duly made by Mr. Lynes, seconded by Ms. Widener, and carried to recommend that the Board adopt an Employer Contribution Rate for Reduced Workload Program of 8.25 percent for 2001/02.

C. Credited Interest Rate – Defined Benefit Program: Staff recommended a rate of 6.0 percent.

MOTION duly made by Mr. Lynes, seconded by Ms. Widener, and carried to recommend that the Board adopt a Credited Interest Rate of 6.0 percent for 2001/02.

D. Minimum Interest Rate – Cash Balance Benefit Program: Staff recommended a rate of 6.0 percent.

MOTION duly made by Mr. Robinson, seconded by Mr. Lynes, and carried to recommend that the Board adopt a Minimum Interest Rate for the Cash Balance Benefit Program of 6.0 percent for 2001/02.

E. Minimum Interest Rate – Defined Benefit Supplement Program: Staff recommended a rate of 6.0 percent.

MOTION duly made by Ms. Widener, seconded by Mr. Lynes, and carried to recommend that the Board adopt a Minimum Interest Rate for the Defined Benefit Supplement Program of 6.0 percent for 2001/02.

V. **WARRANT STUB MESSAGE - MAY 1, 2001**

Mr. Carter presented this item. Mr. Wichman, CTA, requested that the System continue mailing the advice to retirees because it may be their only communication link to the System. Mr. Mosman stated that, although the mailing of the direct deposit advice may be the primary contact members have with the System, statutory provisions require the System to offer members the choice to discontinue this service.

VI. **REGIONAL COUNSELING SERVICES UPDATE**

Mr. Carter and Ms. Suitt provided an update on staff's plan to address the increased demand for counseling services. Mr. Carter reported staff would be scheduling additional 25-member workshops as the pilot workshops in San Diego have been effective in reducing the need for face-to-face interviews. In addition, large group benefit overviews servicing 100 to 150 members are being scheduled in highly-impacted areas. The overview will include a training session in a computer lab to enable members to do their own estimates. Mr. Carter requested help from the constituency groups to publicize these workshops and distributed flyers announcing the CalSTRS Retirement Benefits Overview in Orange, Santa Clara, and Los Angeles counties.

Ms. Shive commented that the group workshops in San Diego have been going very well, but requested that staff schedule workshops in the northern part of the county to prevent members from having to drive two hours to attend the workshop.

VII. **LEVEL OF SERVICE STANDARDS**

Mr. Carter reported staff continues to meet production objectives through February in the benefit programs. The Phone Center continues to be challenged in its ability to answer calls within the objectives set by the Board due to START-related training and downtime. Mr. Carter provided a chart identifying the types of subjects that are being asked the phone center and stated that there is a plan in place to handle a continued increase in the number of calls and part of the plan is to use the web site to disseminate information. Additionally, Mr. Carter reported that although there is a five percent decrease in retirement applications thus far, staff is still preparing to process applications at higher than normal levels.

VIII. **DRAFT AGENDA FOR THE MAY BENEFITS AND SERVICES COMMITTEE MEETING**

Mr. Waddell reported that an overview of the appeal process would be presented at the next Committee meeting.

IX. **OPPORTUNITY FOR STATEMENTS FROM THE PUBLIC**

There were no statements made.

X. **ADJOURNMENT**

There being no further business to conduct, Chairperson Russell adjourned the meeting at 9:05 a.m.

JAMES D. MOSMAN, Chief Executive Officer
Secretary to the Teachers' Retirement Board

Karen Russell, Chairperson